

### **DETAILED ACTION**

This application has been reviewed. Claims 1-5 and 7-29 were previously pending. Claims 11, 15-18 and 28 have been cancelled. Therefore, claims 1-5, 7-10, 12-14, 19-27 and 29 are currently pending and have been examined. The reasons for allowance are as follows.

#### ***Allowable Subject Matter***

1. Claims 1-5, 7-10, 12-14, 19-27 and 29 are allowed.

#### ***Reasons for Allowance***

2. The following is an examiner's statement of reasons for allowance:

Independent claim 1 and 29 are allowable over the prior art. As disclosed in the Office Action mailed on May 27, 2009, the closest prior art is Lange (US Pre Grant Publication 2002/0147670 A1) and Champion (US Patent 5,126,936 A).

Lange discloses a plurality of holders in paragraph 234, "the ability to provide diversification of credit risk among all the traders."

Lange discloses the use of equity investment instruments: see Lange paragraph 382, "Options on equities and equity indices have been one of the more successful innovations in the capital markets. Currently, listed options products exist for various underlying equity securities and indices and for various individual option series."

Lange also discloses that the investment categories include a form of diversification in paragraph 6.

Champion discloses the use of all of the following investments, stocks, bonds, futures, options, derivatives, funds and trusts in column 1 (lines 15-49).

Champion also discloses that investment categories include beta in column 2 (lines 12-28).

However, Lange and Champion do not disclose this specific embodiment of the threshold mechanism: a loss threshold, wherein losses less than the loss threshold incurred by the holders that incurred a loss are not reimbursed and at least a portion of the losses greater than the loss threshold incurred by the holders that incurred a loss are reimbursed.

Any comments considered necessary by applicant must be submitted no later than the payment of the issue fee and, to avoid processing delays, should preferably accompany the issue fee. Such submissions should be clearly labeled "Comments on Statement of Reasons for Allowance."

### ***Conclusion***

Any inquiry concerning this communication or earlier communications from the examiner should be directed to MURIEL TINKLER whose telephone number is (571)272-7976. The examiner can normally be reached on Monday through Friday from 6:30 AM until 3 PM.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Alexander Kalinowski can be reached on (571)272-6771. The fax phone

number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

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